

BEST IN MIDWEST



TALENT FOR TOMORROW

Here's what's happening globally.

Global Megatrends



**Accelerating
urbanization**



**Climate &
resource
scarcity**



**Shift in global
economic
power**



**Demographic
changes**



**Technological
breakthroughs**



The global population will rise to 9.8 billion by 2050, a 29% increase from 2017. 68% of this growth will occur in metro areas.

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Source: United Nations



91% of U.S. GDP and 88% of U.S. jobs are generated in metro areas – just 4% of the United States by landmass.

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Sources: United States Conference of Mayors; United States Census Bureau



80.7% of U.S. citizens live in metro areas compared to 70.4% of Missourians.

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Source: United States Census Bureau



*By 2030, the global population will need at least **35%** more food, **40%** more water, and **50%** more energy.*

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Sources: United Nations Educational, Scientific and Cultural Organization; United Nations University

As of 2017, 4.36% of Missouri's electricity supply came from renewable sources, but all of the state's IOUs will reach at least 15% renewable electricity generation by 2021.



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*By 2050 64% of the world's
and 55% US of electricity
supply will come from
renewables.*

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Source: Bloomberg New Energy Finance



*Emerging economies account for **46%** of world retail sales, **52%** of motor vehicle purchases, and **82%** of mobile phone subscriptions.*

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*Over **92%** of growth in light vehicle assembly between 2016 and 2022 will come from emerging markets, with China alone growing by **10 million** units.*



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Exports are 12% of U.S. GDP but only 5% of Missouri's GSP.

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Source: WiserTrade, US Department of Commerce, Bureau of Economic Analysis



*By 2030, **28%** of Missouri's population will be 60 or older. By 2028, its working-age population will decline by **2%**.*

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Source: State of Missouri, Office of Health and Senior Services



*By 2050, **21%** of the global population will be 60 or older, **more than double** the percentage in 2000.*

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Source: United Nations



In 2014, the U.S. labor force participation rate was 63%, down from a peak of 67% in the 1990s.

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Source: Brookings Institution



*Missouri is among the **top 10** states in HS grad rates, but trails the national average of 25 year olds with BA degrees by **2%**.*

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*Missouri's population will only grow **6%** per decade between 2000 and 2030, compared to **10%** nationally.*

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Source: State of Missouri, Office of Administration



*Within **10 years**, we will all have digital copies of our genome, leading to personalized medical therapies.*

*In **25 years**, full robotic eldercare will be possible.*

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90% of the data that exists today was created in the last two years. Just 0.5% of data has been analyzed.



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*Missouri's labor productivity is **16%** lower than the U.S. average, placing the state in the **bottom third** of the nation.*

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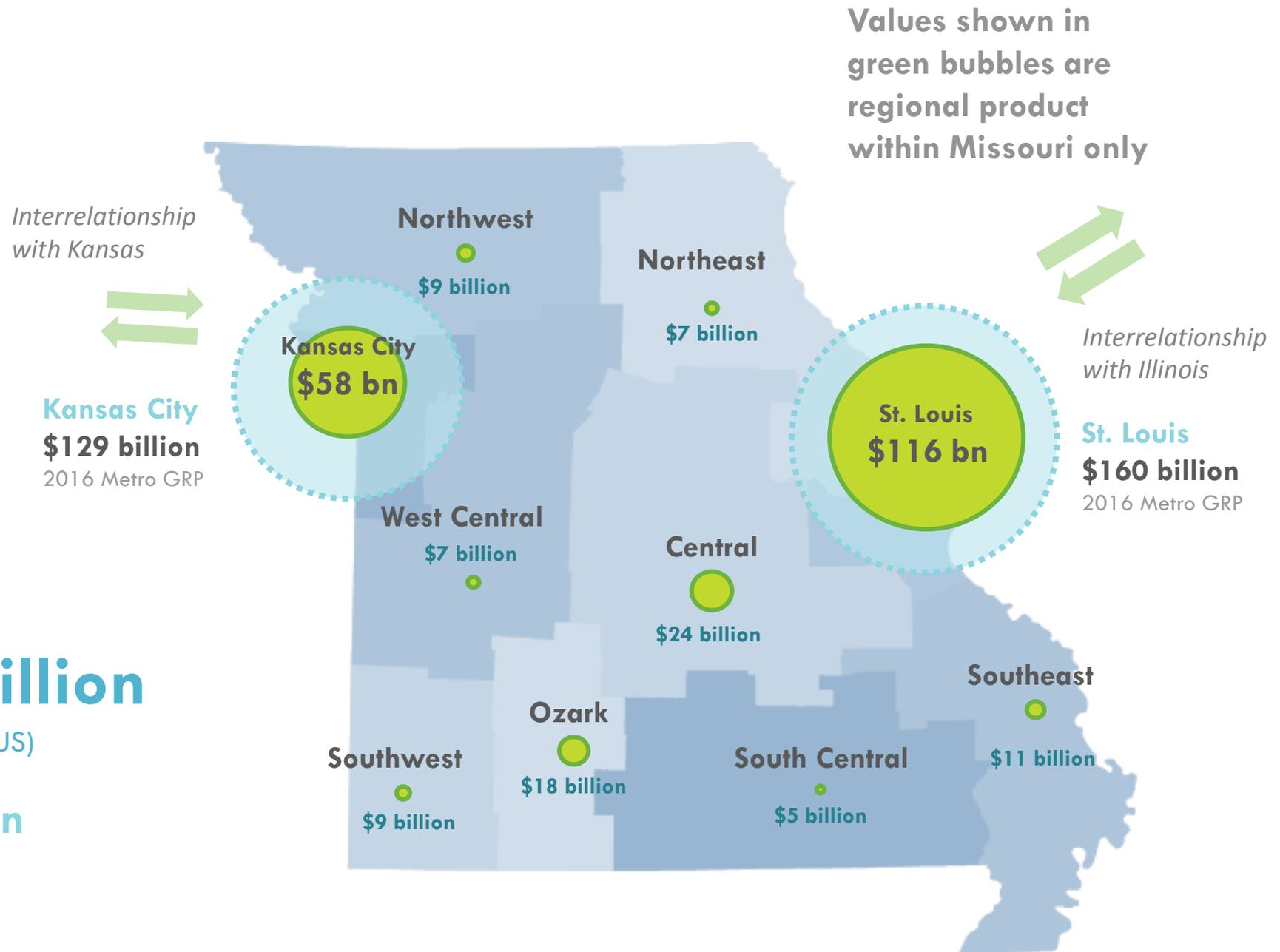
And in Missouri...

Missouri's economy is growing, but that's not the full story.

State GDP: \$262 billion

(6.6% of the Midwest's economy, 1.6% of US)

Midwest GDP: \$3.974 trillion



Missouri service sector jobs are growing fastest

History

2006 – 2016 Employment
Growth Rates

Future

2016 – 2026 Projected
Growth Rates

Goods Producers

Manufacturing, Construction, Mining

▼ 15%

▲ 2.5%

Services

*Trade, Transportation, Finance,
Professional Services, Healthcare, etc.*

▲ 7%

▲ 8.7%

Government

Federal, State, and Local

▼ 1%

▲ 1%

Accelerating urbanization

Across the United States urban regions are growing fastest

Missouri from 2010 to 2017

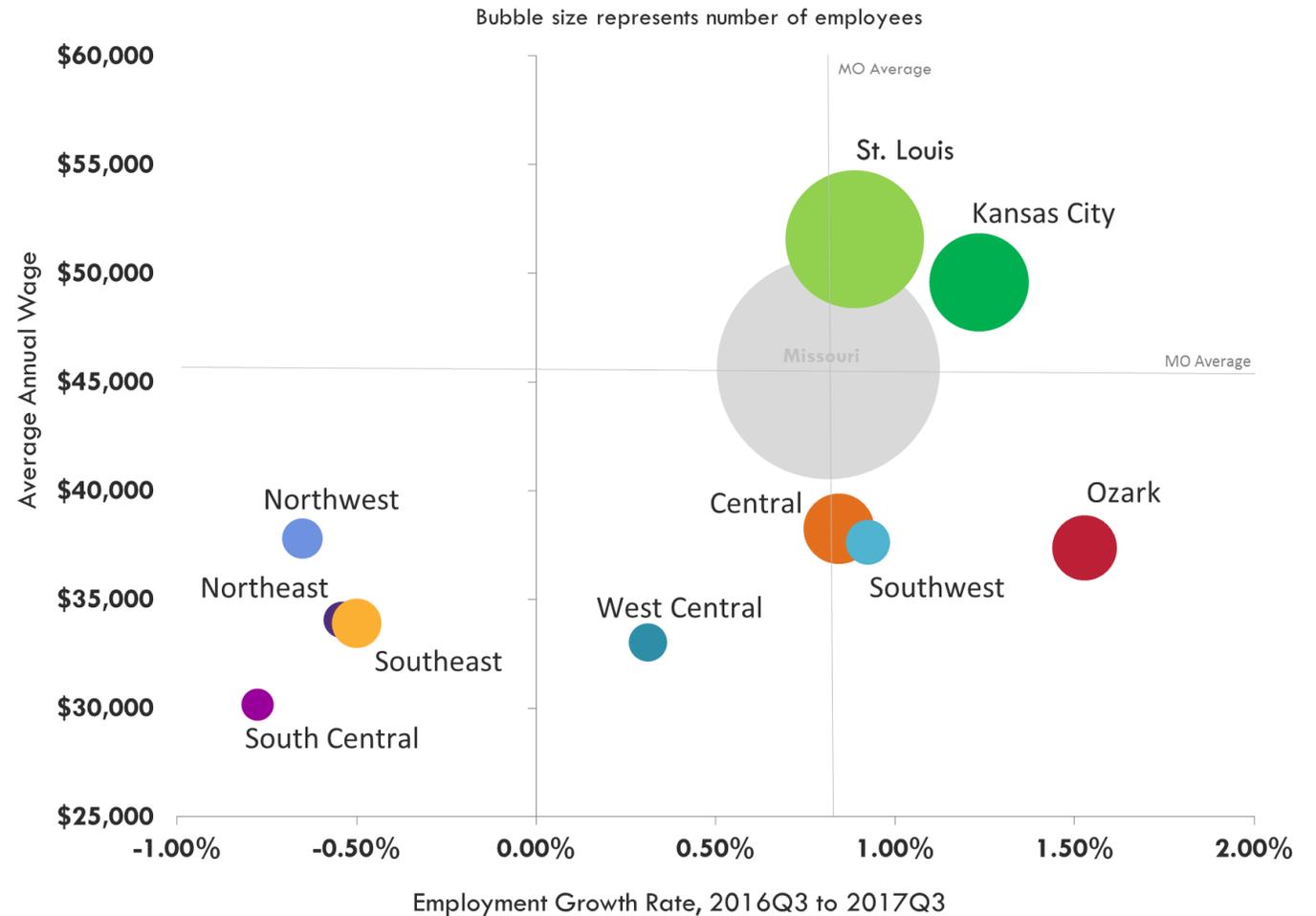
▲ 3.2%

Metro county population change

▼ 1.1%

Non-metro county population change

Missouri Regional Employment and Wages – 2016 to 2017 Change



Source: MERIC analysis of U.S. Bureau of Labor Statistics, Census of Employment and Wages

8

out of 14
for wage growth

4.8%

3.7%



9

out of 14
for job growth



11

out of 14
for per capita income



10,668
jobs is not enough



especially when first place is

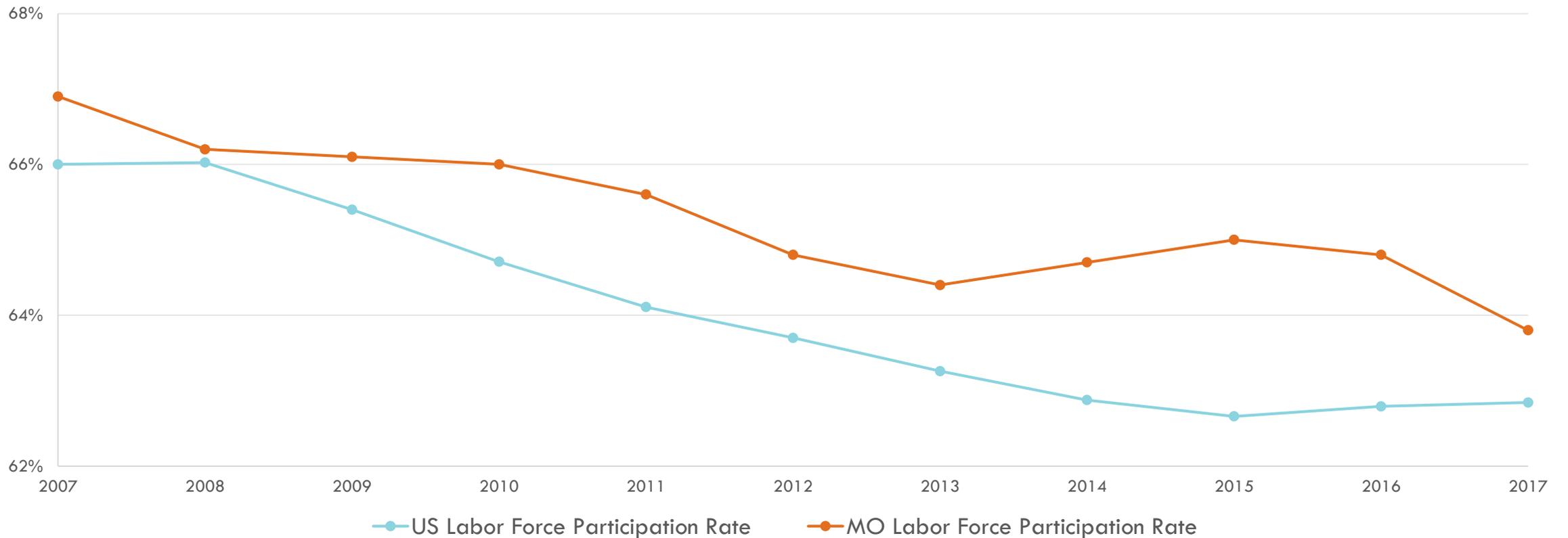
26,397



Having a quality, readily available workforce is the most important factor in economic development today.

The percentage of Missourians in the workforce is shrinking.

Labor Force Participation Rate, 2007 – 2017



Source: U.S. Bureau of Labor Statistics

7,000

new Missourians in 2016

26

**was the average age of those who
moved from another state, well
below Missouri's median which
ranges from 38-39**

Net Importer



less than a high school diploma
high school diploma or equivalent
some college, but no degree
associate degrees



Net Exporter



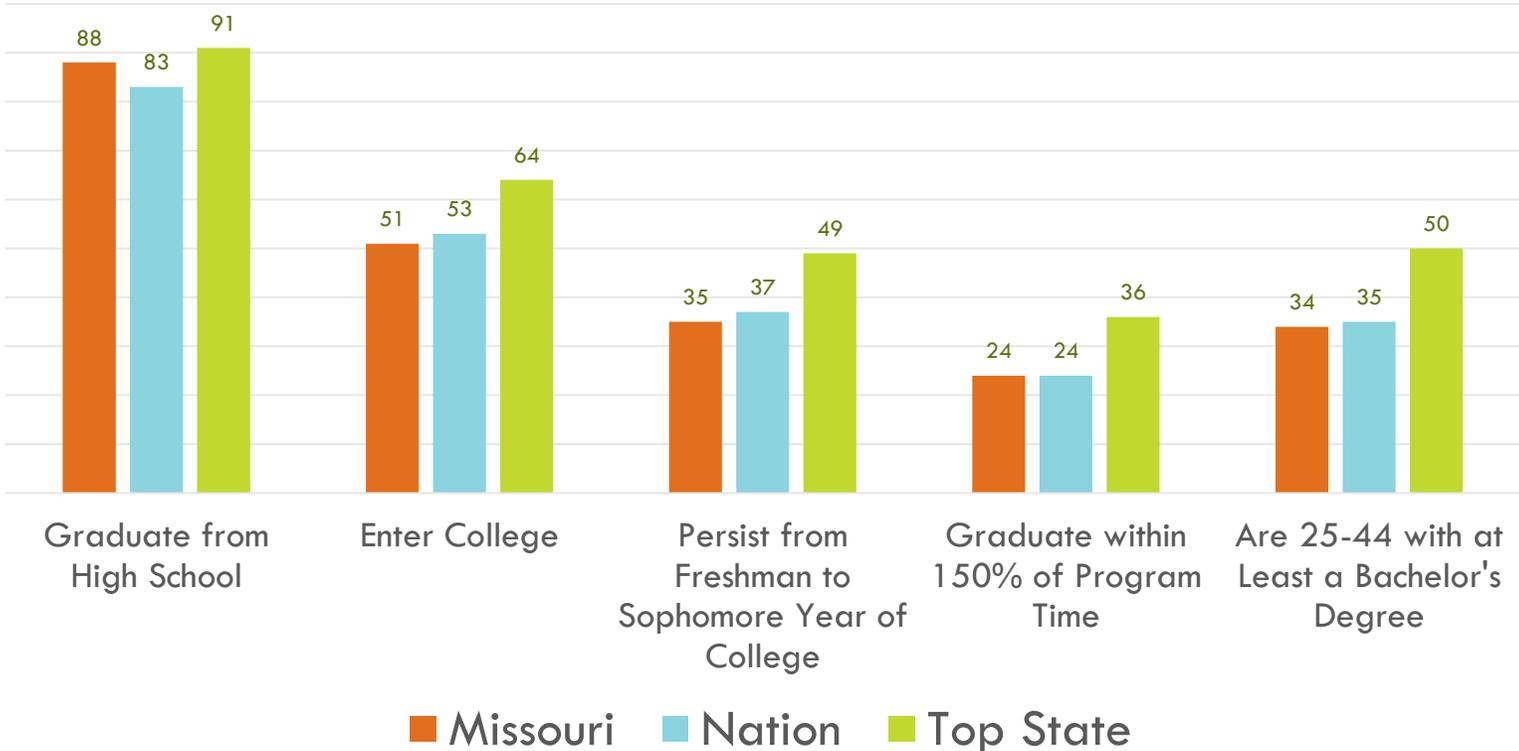
bachelor's degrees
masters degrees
professional degrees
doctoral degrees

Missourians who leave the state are generally better educated than those who move here.

Missouri's talent pipeline is leaky.

Although Missouri is above the national average in high school graduation rates, we are below average on students making the transition into college and persisting through college.

Missouri's Student Pipeline Transition and Completion Rates from 9th Grade through College



12

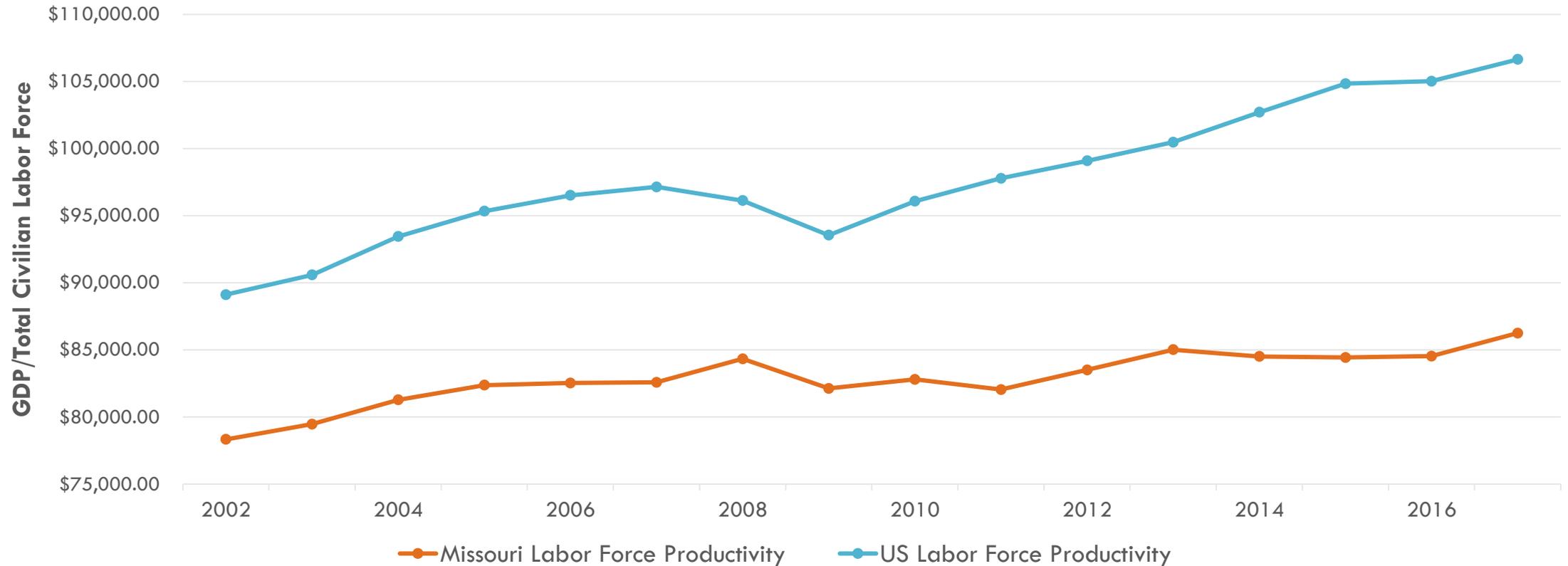
out of 14

for labor productivity



And the gap between Missouri and the U.S. is widening.

Missouri and US Labor Force Productivity (GDP per labor force participant), 2002 - 2017



Source: U.S. Bureau of Economic Analysis

Infrastructure is the foundation of the economy, but ours needs work.

7th

**longest highway
network in the country**

47th

in funding per mile

12.5%

**of Missouri's bridges are
structurally deficient**



**infrastructure grade from
the American Society of
Civil Engineers**

D+

**energy infrastructure
grade from the American
Society of Civil Engineers**

***The leading cause of electric outages is
Severe Weather.***

***Most common natural hazards are
Thunderstorm & Lightning and Flood.***

\$9.6 billion

**in wastewater and stormwater
improvements needed in the
next 30 years**

1.25 million

**Missourians don't have access to
broadband**

We are in a self-defeating cycle.

We have underperforming economic and workforce development policies, embedded within an underperforming economy.

Conceptual Framework

Increase the number of people in Missouri's workforce

- **Become the best place to live and work**
- **Connect all Missourians with work**

Increase the productivity of Missouri's workforce

- **Develop a labor market that works**
- **Work in a 21st century way**
- **Build infrastructure to drive economic development**

Compete to win

- **Work together/compete together**
- **Create a new approach to economic development**

*We know which jobs we need to
prepare Missourians for – now
and in the future.*

Growth will be driven by key industry clusters



**Aerospace and
Defense**



**Entertainment
and Media**



Education



Agribusiness



**Financial
Services**



IT



**Automotive and
Transportation**



Life Sciences



Health Care



**Energy
Solutions**



**Cross-Sector
Manufacturing**

*We have to transform the
Department and work across
agencies to compete and win.*

The New DED

will be

**Regionally
Targeted**

**Customer
Centric**

**Data
Driven**

and

Laser Focused

Next Steps – Finalized in Next Month

- Administrative – Implementation beginning shortly
- Executive – Working with the Governor's Office and Cabinet now
- Legislative – Will bring recommendations as needed before the General Assembly



*Missouri must take
bold action to thrive
in the 21st century.*

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